

OPPOSITION TO HB 6298, AN ACT CONCERNING THE FAIR SALE OF TICKETS TO ENTERTAINMENT EVENT

All Sports And Concert Venues, Promoters, Producers, And Not-For-Profit Venues,
Speak With One Voice In Opposition To Proposed Substitute Bill HB 6298,
An Act Concerning the Fair Sale of Tickets to Entertainment Event.

HB 6298 has one objective: to increase the control and profits of ticket-scalpers.

Disingenuously labeled as a bill providing the “fair sale of tickets” to entertainment events, HB 6298 greatly hampers economic growth in our state. It will cause significant economic harm to Connecticut businesses and directly limit entertainment choices for Connecticut consumers. Real consumer protection would educate and protect our state’s consumers by requiring secondary market brokers to provide information on their websites comparing their ticket prices and availability with all other online sources, including the original seller.

Due to low population when compared to surrounding states, our larger Connecticut venues must often compete at significant disadvantage with much larger market venues in close proximity—New York and Boston. With its proposed restrictions on artists, teams, performers and venues, HB 6298 will add to these existing competitive factors and the result is certain—fewer sporting and entertainment acts in Connecticut.

Analysis of HB 6298

Section One has seven sections which do the following:

1. Mandate that season ticketholders may sell their tickets.
2. Prevent venues from prohibiting the holder of a resold ticket from attending an event.
3. Restrict a ticket selling system from prohibiting the resale of a ticket.
4. Prohibit an artist or venue from using a paperless ticket system.
5. Prohibit an artist or venue from requiring customers to pick up tickets solely at a will-call window.
6. Prohibit an artist or a venue from withholding more than 5% of the available seats for the event.
7. Mandate that venues allow customers to pick up their tickets at the box office.

Significant negative impacts on Connecticut’s economy include:

- **Today’s hottest acts and popular performers will bypass Connecticut rather than disclose how they choose to allocate their ticket resources to**

their fans. National acts, not venues, demand the final say in how their ticket resources are allocated. All acts contacted for comment have stated that if this legislation is implemented they will not tour in Connecticut.

- **Consumers will have fewer entertainment choices.** With artists opting not to play in our state, consumers will travel outside of our state to see their favorite shows, taking their significant economic spin-off activity—previously generated for Connecticut merchants, hotels, restaurants and parking facilities—with them to New York, Massachusetts and beyond.
- **Fewer acts touring in our state is bad for business.** Connecticut venues already struggle with intense and growing competition from larger surrounding markets. Our industry needs legislative enticements to help attract—not deter—performers from visiting our state.
- **Lost shows mean lost jobs for union workers.** Employment for stagehands and theater staff, many of them union workers, at the state's largest performance venues will sharply decline and jobs will be lost at a time of unprecedented economic uncertainty.
- **Lost of revenue for and consumer confidence in Connecticut venues.** By gouging consumers and falsely representing the availability and pricing of tickets, there will be a decrease in attendance and economic support for local venues creating a corresponding negative economic impact on the surrounding community.

Interstate Commerce is Federally Regulated

HB 6298 inappropriately places Connecticut's Department of Consumer Protection in the position of regulating and enforcing interstate commerce. Ticket resellers are physically located in multiple states of the United States while doing business through the mails and on computer in all fifty states. Regulating ticket resellers on a state-by-state basis is impractical if not impossible.

The federal government has established the Federal Trade Commission specifically to protect consumers engaged in interstate commerce against, "unfair or deceptive acts or practices" (ftc.gov), and as recently as February 18, 2010 has exercised its authority in a case dealing precisely with the issues sought to be addressed by HB 6298 (FTC File No. 092-3091).

Conclusion

If HB 6298 is enacted, Connecticut loses. HB 6298 strengthens commercial ticket scalpers' abilities to take advantage of consumers, while holding them unaccountable for their actions which go unaddressed. This bill will accelerate the fleecing of consumers by secondary market ticket resellers, and significantly damage Connecticut's already struggling arts and entertainment industry, putting us at the top of another list—the list of states that performers will bypass when routing their next big tour.